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MEDIUM-TERM PLAN, 1992-1997

Summary of views expressed by members of the Programme and Budget Committee

Report by the Director-General

Summary

Summarizes the views expressed by members of the Programme and Budget Committee in respect of the revised draft medium-term plan of UNIDO, 1992-1997 (PBC.7/17) during the seventh session of the Committee.

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Introduction

1. In its conclusion 1991/5, the Programme and Budget Committee recommended that the Director-General submit the revised draft medium-term plan for the period 1992-1997 contained in document PBC.7/17 to the Industrial Development Board together with the views expressed by members of the Programme and Budget Committee. The present document contains a summary of those views. The views have been extracted from the delegations' interventions at the plenary meetings of the Committee. They have been compiled thematically for ease of comparison and whenever possible abridged for the sake of brevity.

2. After an initial section devoted to general comments on the revised draft plan, the compilation focuses on the plan's relationship to the programme and budgets and on the priorities in the order they appear in the revised draft medium-term plan. A final section deals with other issues raised. The sequence in which the comments are listed in each section does not imply any judgement whatsoever as to the similarity or dissimilarity of views expressed.

I. GENERAL COMMENTS

(1) The revised draft medium-term plan, 1992-1997, while it could be improved, can be recommended for consideration and adoption by the Board at its eighth session, and subsequently by the General Conference at its fourth session. (Venezuela)

(2) We approve the revised draft medium-term plan, 1992-1997, submitted by the Director-General in document PBC.7/17 in accordance with General Conference resolution GC.3/Res.21 and IDB decision IDB.7/Dec.14. We remain convinced that the implementation of the medium-term plan through the biennial programme budgets should be done in accordance with Programme and Budget Committee conclusion 1990/10 recommending a ceiling representing zero real growth. (Netherlands, on behalf of European Community)

(3) The Nigerian delegation is gratified to note that, among others, the present document on the revised medium-term plan has fulfilled the stated objectives. (Nigeria)

(4) Having made detailed comments on the draft medium-term plan, 1992-1997, during the previous session of the Committee and having submitted a substantial document on this draft plan during the seventh session of the Industrial Development Board, the Algerian delegation is gratified that the revised draft contained in document PBC.7/17 largely reflects the views expressed by Member States and takes account of quite a number of comments made by the Algerian delegation itself. (Algeria)

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(5) We agree and approve document PBC.7/17. (Bolivia)

(6) The study in depth of this document ought to be dealt with by the Industrial Development Board and not necessarily by the Programme and Budget Committee, which deals with financial implications. Here there are no financial implications because the medium-term plan deals with the general policy of UNIDO. (Colombia)

(7) The Soviet delegation on the whole has a positive appreciation of the revised draft medium-term plan for 1992-1997 as contained in document PBC.7/17. (Union of Soviet Socialist Republics)

(8) We are pleased to note that the draft medium-term plan represents quite an improvement and it has reflected the views expressed by Member States during the formal and informal consultations over the past several months. (China)

(9) The revised draft of the medium-term plan, 1992-1997, meets the concerns of the Member States, particularly in reference to decision of the seventh session of the Industrial Development Board, IDB.7/Dec.14, paragraph (j). (Philippines)

(10) The medium-term plan for 1992-1997 presented by the Director-General in document PBC.7/17 marks an improvement compared to previous drafts. (Poland)

(11) The Tunisian delegation is pleased to see that the revised draft medium-term plan takes account of the views expressed by Member States during the General Conference and Industrial Development Board. It must also congratulate the Secretariat on the wealth of information contained in the document. (Tunisia)

(12) The revised draft medium-term plan, 1992-1997, has been drawn up taking account of the opinions expressed at the third session of the General Conference and the seventh session of the Industrial Development Board. In our opinion, this document is a thorough one, diverse one and I am sure that we will return to analysing it on a number of occasions. (Ukrainian Soviet Socialist Republic)

(13) It is a source of pleasure for the Mexican delegation that the draft revised medium-term plan, 1992-1997, in document PBC.7/17, has been drawn up in accordance with the outlines of decision IDB.7/Dec.14 of the Board. (Mexico)

II. SPECIFIC COMMENTS

Relationship to programme and budgets

(14) The priorities and programmes contained in the medium-term plan should be properly reflected in the Organization's programmes and budgets. (Venezuela)

(15) The medium-term plan should retain its nature as a policy framework which sets guidelines for a rolling programme of activities which meet the needs of all recipient countries. We agree that the revised medium-term plan provides sufficient indication of the programmes, allocation of tasks and estimated resource requirements for the 1992-1993 biennium budget which is, however, still under consideration. (Netherlands on behalf of European Community)

(16) It is our hope that allocation of resources to the target areas and programmes will reflect the order of priorities as already approved by the General Conference. (Nigeria)

(17) It is a question of establishing a closer correlation between the objectives of the medium-term plan and the programmes and budgets of the Organization and ensuring that the objectives can be translated into technical cooperation projects ... For it is quite clear that UNIDO's programming will only be effective if there is a link between the planning function and the budgetary process - that is, between the plan and the budgetary resources. (Algeria)

(18) As a tool and framework for the preparation of the programme and budget, it is apparent that the revised draft has served its purpose as illustrated in the matrix [table 6] in the programme and budget document. (Philippines)

(19) The objective assessment of the difficult economic conditions of the developing countries provides a logical basis for outlining five priority problem areas as well as three thematic problems which should constitute the main direction of UNIDO activity and basis for budgetary and programming process, taking into consideration a ceiling of zero real growth. (Poland)

(20) The Mexican delegation has emphasized on several occasions with respect to the decision-making policy of the Organization that priorities for the medium-term plan should be structured in such a way that it affords a proper mechanism for giving due attention to programmes which require major support in difficult financial circumstances. The Mexican delegation would like to emphasize the need for priorities in the medium-term plan to be properly reflected in the programme and budget of this Organization. (Mexico)

Reflection of priorities

(21) We support the continued prioritization of the five programme target areas, namely human resource development, development and transfer of technology, industrial rehabilitation, small- and medium-scale industries, as well as environment and energy. Similarly, we support the implementation of the objectives contained in the three common elements for industrial development. (Nigeria)

(22) The Algerian delegation takes due note of the document and in general approves the five major problem areas and the three elements common to industrial development identified in the plan ... Firstly, it should be mentioned that the document makes a number of observations concerning the situation of developing countries which in the view of the Algerian delegation are highly pertinent and objective. Unfortunately, it confines itself to observations and does not propose specific measures as a framework for the activities of UNIDO ... Thus, with regard to the prospects for the medium-term plan period, the assumptions adopted regarding growth clearly show the growing disparities between the various regions. However, such a static observation of affairs is useless in the absence of proposals for measures capable of reducing the divergences ... Similarly, the draft highlights the vulnerability of the economies of developing countries and the persistent constraints on development without suggesting specific measures which could be taken

by UNIDO to promote industrial development in these countries ... Moreover, the critical factors for the period ahead are not well defined in respect of developing countries and, in the absence of studies on the prospects for such countries, one gains the impression that activities are to continue to follow the same old practices. And as it is clear that the globalization of the economy should now guide the perception of matters and form the axis for the industrial development of the developing countries, UNIDO's activities should logically be in line with such an approach ... The Algerian delegation cannot see very clearly on the basis of the existing presentation of the draft medium-term plan how the plan priorities are covered by the current structure of the Organization, or indeed how they will be covered by the structure proposed by the Director-General in the context of restructuring. (Algeria)

(23) The delegation of China agrees to list human resources development, development and transfer of technology, industrial rehabilitation, small- and medium-scale industries, and environment and energy as five priority areas for the 1992-1997 medium-term plan of UNIDO ... However, we should also realize that it is impossible to include all priority areas of the developing countries in the medium-term plan and those already in the plan cannot substitute completely for the priority areas of each individual country. Therefore, the implementation of the medium-term plan calls for a certain amount of flexibility. That is to say, while delivering assistance to the developing countries, UNIDO should not only keep itself in line with the priority areas set out in the medium-term plan, but it should also take into account the specific needs of certain developing countries. It should help them select and fund projects which could meet local requirements and result in great socio-economic impact. The medium-term plan can only serve as a policy framework. (China)

(24) Although we are convinced that selected priorities are really of great importance to the Member States, we are not sure whether UNIDO could effectively implement all of them mainly due to its limited resources and general lack of clear vision for a long-term perspective. This vision should include in our opinion the selection of services UNIDO could render competitively, taking into consideration its resources and potential of professional staff ... In order to become more efficient and effective, UNIDO should rather concentrate in future on a limited number of fields of activities, thus sharpening its focus on them and redeploying scarce financial and human resources to obtain a higher level of quality and competitiveness of services. (Poland)

(25) The five priority problem areas and the strategic thrust of the corresponding thematic programmes as presented in this document meet with our approval. The differentiation of the needs of each region and the regional programmes are pertinent. However, particular attention should be paid to the subregional industrial development programmes, taking account of the specific features of each of the targeted subregions. (Tunisia)

(26) The United States of America delegation recognizes that the medium-term plan must express the goals of UNIDO in broad and very general terms. At the same time, however, we feel that better use of the concept of "priorities" could make the plan much more useful. UNIDO should be able, within the same allocation of resources from Member States, to give some order to its many priorities without favouring one geographical region over another and without excluding possibilities for participation in projects which might appear outside the stated priorities. Such an ordering would reflect UNIDO's developmental expertise and could reflect its strategy for systematic development. We look forward to the continued improvement of the medium-term plan as a framework for UNIDO's activities. (United States of America)

(27) The Mexican delegation trusts that the medium-term plan will be the main guiding instrument of UNIDO and its priority objectives should be the basis for the budgeting exercise in this Organization. (Mexico)

Human resource development

(28) The action envisaged by UNIDO in certain areas such as human resource development is also very comprehensive. The institutional and economic changes taking place in some regions may upset the medium-term programmes, bearing in mind the uncertainty linked to the evolution of the different situations and the still hazy outlines of the new political and economic structures in some regions. Foreseeable risks cannot, however, prevent the definition of precise objectives. (Algeria)

Development and transfer of technology

(29) It seems justified to refer to the whole problem of conversion of military industry to the production of civilian products as a means of obtaining additional up-to-date technology in order to achieve development in the area of development and transfer of technology mentioned on page 12 of the medium-term plan. (Union of Soviet Socialist Republics)

Industrial rehabilitation

(30) The approach envisaged by UNIDO in industrial rehabilitation activities is to be welcomed; it would be even more so if the Organization were to respond more speedily to requests by States in this field, which should be treated as a matter of urgency. (Tunisia)

Small- and medium-scale industries

(31) We would request the Secretariat to reconcile the higher allocation accorded to industrial rehabilitation as compared with small- and medium-scale industry, with paragraph 25 of the revised draft which states that highest priority was accorded to the least developed countries in the preparation of the plan. From a layman's viewpoint, emphasis on small- and medium-scale industries would be more important to these countries rather than industrial rehabilitation. We perceive that the allocation of higher resources to industrial rehabilitation could have been due to its higher ranking and order of priority areas. (Philippines)

Environment and energy

(32) The environment programme should be financed from extrabudgetary resources, preferably through the Industrial Development Fund ... Document PBC.7/17 mentions "an energy programme to be

drawn up by the Organization in the early part of the medium-term plan period". My delegation would like informal consultations to be held with Member States regarding the drawing up of this programme, and would like the programme to be submitted to the policy-making organs for approval. (Venezuela)

(33) The problem of the environment ... is very important and ... requires huge financial means. (Bolivia)

(34) The world community has already expressed its opinion in respect of the need to have joint efforts to overcome the consequences of the accident at the nuclear power plant at Chernobyl, as adopted in a consensus resolution at the forty-fifth session of the General Assembly of the United Nations. In this connection, we think it is appropriate to mention in our document UNIDO's task to take part in the implementation of that resolution within the framework of its competence, which could be done in that portion devoted to the environment and energy. The Soviet delegation would like to express its support to the Organization in its intentions to develop a programme on energy questions. We are of the opinion that, taking account of the tendency in industrial development in the world, research into new and renewable sources of energy and the exhausting of the energy resources, as well as the need to make additional efforts to protect the environment, have led to a very urgent need ... to develop this sort of programme which would take account of forecasting estimates as well as recommendations to implement the specific elements involved. Soviet experts and scientists are willing to take an active part in helping to prepare such a progamme. (Union of Soviet Socialist Republics)

(35) We wish to reiterate our position that financing of the environment programme be derived from extrabudgetary resources. (Philippines)

(36) The fifth problem, that of the environment and energy, has been addressed at sessions of the Board and we have referred to it on a number of occasions at the General Conference. The points made in paragraphs 69 to 73 in dealing with this truly global problem are profound and comprehensive. ... It is with satisfaction that we note that UNIDO at present has proceeded to implement the comprehensive programme for expanding and stimulating its technical cooperation in the area of environmental problems in the developing countries. We see considerable opportunities for involving UNIDO in implementing General Assembly resolution 45/190 ... to alleviate and overcome the consequences of the Chernobyl accident. This resolution, as we know, contains a direct appeal to the specialized agencies of the United Nations system to cooperate to the extent of their competence in overcoming this unprecedented disaster. UNIDO's success will depend on the extent to which the Organization is afforded additional resources in the form of voluntary contributions. This, of course, relates not only to problems of environment and energy. (Ukrainian Soviet Socialist Republic)

(37) We consider that the environmental programme should be financed from extrabudgetary sources, and the energy programme mentioned in document PBC.7/17 should be submitted for approval by the governing bodies. (Mexico)

Mobilization of financial resources for industrial development

(38) We wish to appeal once again to all Member States to show greater understanding for the peculiar needs of the African continent in considering the allocation of resources for the programmes related to the industrial development of the region. UNIDO certainly needs to be more innovative and aggressive in finding new sources of financing for industrial development projects. The thematic approach postulated in paragraphs 84 to 87 as well as the programmes and subprogrammes involved in this area contained in paragraphs 88-91 are to my delegation steps in the right direction. (Nigeria)

(39) We hope that the Secretariat will make great efforts and actively explore new resources so as to raise more funds for the activities as set out in the medium-term plan ... In particular, investment promotion and trust funds have proved to be very good mechanisms for such purpose which resulted in increased funds and this has been recognized by the United Nations General Assembly. The Director-General and the Secretariat should give more attention to them and raise more funds for the industrial development of the developing countries. (China)

Economic Cooperation among Developing Countries and subregional industrial cooperation

(40) We endorse the objectives set for increasing greater cooperation among developing countries contained in the Economic and Technical Cooperation among Developing Countries (ECDC/TCDC) components of the programme elements. Given the sad reality that the target set forth in the Lima Declaration for the share of developing countries in world industrial output is unlikely to be realized, the need for greater cooperation and consolidation of existing subregional and regional economic groupings cannot be overemphasized. (Nigeria)

(41) Due attention should be given to the ECDC/TCDC which have emerged as another important form of international industrial cooperation. There is great potential for such activities, and we hope that UNIDO should give great importance to this area and make greater use of it. (China)

The regional dimension

(42) We appreciate the fact that the revised medium-term plan makes a very clear and unambiguous differentiation between the specific requirements of each region. (Nigeria)

(43) Support for current reforms in developing countries should be a priority for UNIDO which could direct its efforts towards assisting those countries in formalizing industrial policies and strategies in line with the capacities, resources and needs of each and the critical factors involved. That will permit the subsequent development of regional and subregional strategies. (Algeria)

III. OTHER ISSUES

(44) We reiterate that future planning for operations should be done realistically. New

expenditures should be balanced against available resources, particularly bearing in mind the present uncertainties regarding the financial consequences of the changes that may take place in UNIDO. (Netherlands, on behalf of the European Community)

(45) The lofty aims and objectives of the programmes and subprogrammes of the revised medium-term plan are only realizable if adequate financial resources are allocated to them and Member States fulfil their financial obligations to UNIDO on time. (Nigeria)

(46) The carrying out of the activities in the medium-term plan and their quality depend largely on technical support and expertise. Therefore, we hope that UNIDO will seek and provide more technical support and expertise for the industrial development of the developing countries. (China)

(47) We wish to request the Secretariat to amend the proposed programme support for the electronic data processing (EDP) cited in paragraph 245, prior to the fourth session of the General Conference taking into account the final outcome of the consultancy study on EDP. (Philippines)

(48) The Tunisian delegation, having taken note of the medium-term plan as presented in document PBC.7/17, would like to add that its implementation and success depend on important factors such as, firstly, the timely payment of contributions and, secondly, the improvement of the content of the medium-term plan. (Tunisia)

(49) Concerning the fulfilment of the goals of the medium-term plan, there has always been a problem of inadequacy of financial resources and the untimely payment of contributions. (Mexico)

(50) The possibility of publishing a shorter, abbreviated version of the medium-term plan which could be readable and usable for industrialists and other policy-making bodies might be taken into account. (Poland)

IV. ACTION REQUIRED OF THE BOARD

3. The Board may wish to take into account the views summarized in the present report when considering the revised draft medium-term plan, 1992-1997 (PBC.7/17).